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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric
Company (U902E) for Authority to Implement
Optional Pilot Program to Increase Customer
Access to Solar Generated Electricity.

A.12-01-008
(Filed January 17, 2012)

And Related Matters.

A.12-04-020
(Filed April 24, 2012)

A.14-01-007
(Filed January 10, 2014)

**EMERGENCY PETITION FOR MODIFICATION OF DECISION 15-01-051
OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

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Dated: April 30, 2021

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OF THE STATE OF CALIFORNIA**

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I. INTRODUCTION.

Pursuant to Public Utilities Code Section 1701 and Rule 16.4 of the California Public Utilities Commission's ("CPUC's" or "Commission's") Rules of Practice and Procedure, Pacific Gas and Electric Company ("PG&E") files this Emergency Petition for Modification of Decision ("D.") 15-01-051 ("Emergency Petition") to avoid an unanticipated interruption in services to retail customers of its Solar Choice Program under PG&E Electric Schedule E-GT (Green Tariff Program).

PG&E's Emergency Petition would modify D.15-01-051 including Electric Schedule E-GT on a temporary basis to allow PG&E to use excess existing renewable resources previously procured separately from its Solar Choice Program to form an temporary resource pool to meet the needs of an unanticipated significant increase in Solar Choice customer enrollments that cannot otherwise be met until a new Solar Choice resource procurement to acquire additional Solar Choice resources is completed. The unanticipated significant increase in Solar Choice enrollment occurred during the first three months of 2021 as a result of the Solar Choice rate changing from a net premium to a net discount, especially for very large non-residential customers. These events and circumstances are explained in detail in the attached sworn declaration of Larsen Plano, Manager of Distributed Generation Programs for PG&E.

As discussed in more detail below, PG&E respectfully requests that the Commission grant this Emergency Petition on an emergency expedited basis because (1) it will enable uninterrupted program participation to approximately ten thousand residential and non-residential Solar Choice customers; (2) The facts and circumstances causing PG&E's inability to procure sufficient additional resources to meet the recent increased enrollment in the Solar Choice program could not have been anticipated or avoided, and could not have been raised within one year of the issuance of the 2015 decision; and (3) The modifications to the Decision are limited and temporary and will not harm other ratepayers not participating in the Solar Choice Program or modify any other provisions and standards applicable to the Solar Choice Program under the Decision or law.

Because of the emergency nature of the need for resources to serve Solar Choice customers, i.e., unless the Emergency Petition is granted within the next two months, PG&E currently estimates that it may need to start unenrolling Solar Choice customers from the program by July, 2021, PG&E respectfully requests that the Commission grant this Emergency Petition by no later than its first or second meeting in June, 2021.

The precise modifications to the Ordering Paragraphs of D.15-01-051 requested by PG&E's Emergency Petition are provided at the end of this pleading.

II. JUSTIFICATION FOR EMERGENCY MODIFICATION OF D.15-01-051.

The number of participating customers and amount of participating load in PG&E Solar Choice tariff and program (Electric Schedule E-GT) has dramatically increased in the last few months, from roughly 35 MW in December 2020 to approximately 235 MW in April 2021, as a result of Solar Choice rates now providing a discount compared to PG&E's bundled generation rates. Much of this growth is attributable to larger nonresidential customer enrollment. Assuming newly enrolled customers remain in the program, customer usage will far exceed dedicated resource generation for program year 2021 in PG&E's Solar Choice program, which comes from 52.75 MW of dedicated resource supply.

PG&E is initiating a new procurement solicitation for additional renewable resources to meet the increased Solar Choice enrollment to permit customers to subscribe to the program until we meet PG&E's share of 272 MW of customer participation. PG&E intends to procure up to the remaining capacity of the program. Whatever capacity PG&E does not procure in the new procurement solicitation, PG&E will attempt to procure in future Solar Choice solicitations as needed. PG&E plans to launch this solicitation in May 2021 with the hope of having resources online in 2023 or thereafter to supplant the temporary pool of existing RPS resources.

However, due to the rapid surge in enrollment and necessary time to complete the procurement of new, additional resources, PG&E expects to run out of existing procured Solar Choice generation to serve enrolled customers by July 2021 or earlier before the new resources come online, likely in 2023 or thereafter.

To continue to serve enrolled Solar Choice customers until new Solar Choice resources are available, PG&E is requesting an emergency temporary deviation from the Solar Choice program requirements, so that it can continue to serve enrolled Solar Choice customers with emissions-free renewable energy from its existing surplus bundled RPS-eligible generation resources which also meet GTSR resource requirements and are additional to PG&E's current RPS targets and bundled customer resource needs. The temporary deviation would apply only until PG&E's new Solar Choice procurement solicitation results in sufficient, new, additional Solar Choice resources to serve the enrolled Solar Choice customers. This would enable PG&E to continue to meet Green-e certification.

To ensure ratepayer indifference during this period, the temporary bundled renewable resources used to support the enrollment until the new procurement solicitation resources are available would be based on the weighted average price of eligible PG&E bundled renewable resource projects with July 2015 – 2018 online dates. This subset represents a hypothetical portfolio of the newest additional renewable resource contracts with sufficient quantity to fill average expected 2021-2023 Solar Choice customers' needs. This price methodology follows avoided cost concepts and it would be comparable with the authorization of an interim pool to

support startup Solar Choice services in Decision 15-01-051, requiring selected projects to have prices that are representative of the IOUs eligible projects.

To ensure complete understanding by Solar Choice customers of the source of renewable resources serving them during the temporary period as well as the methodology for pricing those resources under the Solar Choice program, existing Solar Choice customers will be informed of the temporary use of existing resources, and language on the Solar Choice website will be updated as appropriate. From the Solar Choice customer perspective, there are two minor impacts of this deviation: 1) a portion of the GTSR energy supply pool for approximately three years will come from previously-constructed resources, as was also the case during program startup and, 2) the GTSR energy resource cost component of the rate will be adjusted concomitantly at the time of the next Solar Choice rate change expected early in 2022. PG&E estimates the latter change to the solar charge component to be approximately a 3% increase (\$2/MWh) under the proposed methodology.

In order to accomplish these temporary changes to the Solar Choice Program, PG&E requests the following specific modifications to D.15-01-051 and Electric Schedule E-GT:

1. Revise Ordering Paragraph 8 of D.15-01-051 to read as follows (table omitted):

*8. Each of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company is directed to begin advance procurement of Green Tariff Shared Renewables resources and to have this advance procurement under contract within one year following issuance of this decision. The advance procurement amounts are as follows and the full amount of the City of Davis reservation is authorized from the start of the program but is not required to be procured within one year. **A utility may use existing renewable resources to serve Green Tariff Shared Renewables customers on a temporary basis where advance procurement is unable to meet the customers' needs due to sudden unanticipated increase in customer enrollment, until such time as additional procurement is sufficient to serve increased customer enrollment.***

2. Revise Electric Schedule E-GT, "Enrollment Provisions," to add the following paragraph at the end:

Existing renewable resources may be used to serve customers on a temporary basis where advance procurement is unable to meet the customers' needs due to sudden unanticipated

increase in customer enrollment, until such time as additional procurement is sufficient to serve increased customer enrollment.

For these reasons, PG&E believes that its request for temporary, emergency modifications to D.15-01-051 is justified, reasonable, necessary and in the interest of its customers and the public.

III. CONCLUSION.

As discussed above and supported by the facts in the attached Declaration of Larsen Plano, PG&E respectfully requests that the Commission expeditiously approve this Emergency Petition for Modification of D.15-01-051 by June, 2021, to allow a temporary deviation from the requirements of the Decision and Electric Schedule E-GT and avoid an unanticipated interruption in service to PG&E's Solar Choice customers.

Respectfully submitted,

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By: /s/ Christopher J. Warner

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Dated: April 30, 2021

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA
DECLARATION OF LARSEN PLANO IN SUPPORT OF
PG&E'S EMERGENCY PETITION FOR MODIFICATION IN A.12-01-008**

I, Larsen Plano, declare:

1. I am the Manager of Distributed Generation Programs at Pacific Gas and Electric Company ("PG&E"), a California corporation.
2. In this position, my responsibilities include overseeing PG&E's Solar Choice program and tariff Electric Schedule E-GT supporting the Solar Choice program. The Solar Choice program has been authorized by the California Public Utilities Commission (CPUC) in Decision No. (D.) 15-01-051 as modified and extended by CPUC Resolution E-5028. This declaration is based on my personal knowledge of PG&E's practices or based on information prepared under my supervision, and on my understanding of the Commission's decisions authorizing the PG&E Solar Choice program and Electric Schedule E-GT.
3. Solar Choice enrollment growth over 2019 and 2020 was markedly different compared to the first quarter of 2021: from January 2019-December 2020 Solar Choice enrolled capacity rose by about 12 MW from about 22 MW at the start of 2019 to approximately 34 MW at the end of 2020. This is calculated based on the methodology that PG&E uses in the Quarterly Reports, which translates *actual* usage in the program into a capacity figure. Importantly, annual growth actually *slowed* in 2020 compared to 2019: from January to December 2020 program capacity only grew from 32 to 34 MW.
4. To capture the recent trend, PG&E uses an alternate method of tracking enrollments that accounts for future load from currently-enrolled customers, including recently added customers who have not yet had a full 12 months in the program. PG&E developed this method to ensure that increases in enrollment could be understood in a timely manner. This alternate methodology also showed modest 2020 growth: January enrollment was calculated at 34 MW and grew to just 35 MW by November.

Only December 2020, when the program reached 43 MW, shows the beginning of an enrollment spike as PG&E customer representatives began to enroll nonresidential customers. End-of-month program capacity totals then grew at an unprecedented pace to more than 200 MW by the end of March 2021 – an increase of over 157 MW in just three months. This explosive growth was driven by nonresidential customer interest in both saving money and solar energy. At present, PG&E is placing non-residential customers requesting to enroll on a waitlist due to the nonresidential cap for the program.

5. Anticipating such a dramatic increase in growth is very challenging in part due to the dynamic nature of the Solar Choice rate. In May 2020, PG&E implemented its 2020 rates authorized by the 2020 Energy Resource Recovery Account (ERRA) Forecast Decision and the results caused residential customers as well as two small-medium business rate schedules for newly enrolling customers to move to a small net credit, which would allow those customers to save money over their otherwise applicable tariff¹. The opportunity to save money could be expected to drive interest in the program; however, this was the first time this had occurred in PG&E territory. It is very difficult to know for certain what Solar Choice rates will be until very close to when the actual rates are approved. The GTSR Program can result in either a net cost or net premium when compared a customer's otherwise applicable tariff and the results are highly dependent on the Power Charge Indifference Amount (PCIA) rate as well as the generation rate credit provided to GTSR customers. Both of these rate components are updated annually in PG&E's Annual ERRA Forecast Proceeding, and the PCIA rate in particular has seen recent volatility due in part to the regulatory delay in implementation as well as the implementation of a new calculation methodology for the market price benchmark (MPB) which determines the level of the PCIA rate, along with the implementation of a true-up of the PCIA forecast rate to actual costs.

¹ For newly enrolling customers receiving the 2020 tariff savings were as follows: E-1 (residential): \$0.0018/kWh; A-1 (small business): \$0.0012/kWh; A-10 (medium business): \$0.0041/kWh.

6. The linkage between the net credit and program growth is not direct, as evidenced by the fact that program growth remained slow through 2020 despite the favorable rates effective beginning May 2020. Based on PG&E's analysis of the more recent, explosive growth, PG&E now understands two likely factors contributing to this slow growth through 2020: First, PG&E decided to hold off promotion of the net credit in 2020 due to uncertainty regarding whether Solar Choice rates would remain a credit for any rate schedule in 2021, especially given the recent historical volatility. Second is that the rate schedules for which Solar Choice was a discount in 2020 were for relatively small customers whose enrollment would not contribute greatly to overall capacity growth. This changed in 2021, as explained below.
7. PG&E's initial procurements early on for the Solar Choice program resulted in 52.75 MW of dedicated resources, which came online in 2017-2019. PG&E procures dedicated resources for Solar Choice by using a forecast of customer enrollment and identifying whether or not there is a need to procure. Until 2021, customer enrollment has marginally increased—over the course of three years from 2018 to 2020, customer enrollment increased from approximately 20 MW to 34 MW. When PG&E assessed whether or not to launch a Solar Choice solicitation in Fall 2020, there were only 32 MW of enrollments, well below the 52.75 MW of dedicated resources online.
8. It takes 2-3 years for resources to come online, so PG&E would have needed to forecast its recent demand spike in 2018 in order to appropriately accommodate Solar Choice enrollments that have occurred in Q1 2021. Such a demand spike would have been nearly impossible to predict accurately to inform the scale and timing of PG&E's procurement activities. Given the increase in demand in 2021, PG&E is launching a procurement solicitation in Spring 2021 to satisfy the supply needs of the program.
9. The unprecedented growth in the Solar Choice program was primarily due to: (1) a rate change on 1/1/2021 that allowed newly enrolling customers for most eligible rate schedules, including those entities with very large facilities and/or many locations across PG&E territory, to expect savings throughout 2021 and (2) effective promotion

of the program by PG&E customer representatives, including representatives for these larger customers².

10. While is it impossible to predict what the next rate change will be, trends suggest that the net cost of participation has the potential to continue to offer favorable results for customers compared to their otherwise applicable tariff over the next several years due in part to the competitive cost of solar generation and stabilization of the PCIA rate, which may provide more predictability about the expected trend.

11. Based on my knowledge and experience and the information prepared under my supervision, and in accordance with D.15-01-051 and Resolution E-5028, I make this declaration supporting PG&E's Emergency Petition for Modification in A.12-01-008.

I declare under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct to the best of my knowledge and belief. Executed on April 30, 2021 at San Francisco, California.

/s/ Larsen Plano
LARSEN PLANO

² See Electric Schedule E-GT for current Solar Choice pricing:
https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_SCHEDULES_E-GT.pdf.